

# House File 668 - Introduced

HOUSE FILE \_\_\_\_\_  
BY JACOBY

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the taxation of commercial property and  
2 providing an applicability date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2286YH 83  
5 md/mg:sc/24

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1 1 Section 1. Section 441.21, subsection 5, Code 2009, is  
1 2 amended to read as follows:  
1 3 5. a. For valuations established as of January 1, 1979,  
1 4 commercial property and industrial property, excluding  
1 5 properties referred to in section 427A.1, subsection 8, shall  
1 6 be assessed as a percentage of the actual value of each class  
1 7 of property. The percentage shall be determined for each  
1 8 class of property by the director of revenue for the state in  
1 9 accordance with the provisions of this section. For  
1 10 valuations established as of January 1, 1979, the percentage  
1 11 shall be the quotient of the dividend and divisor as defined  
1 12 in this section. The dividend for each class of property  
1 13 shall be the total actual valuation for each class of property  
1 14 established for 1978, plus six percent of the amount so  
1 15 determined. The divisor for each class of property shall be  
1 16 the valuation for each class of property established for 1978,  
1 17 as reported by the assessors on the abstracts of assessment  
1 18 for 1978, plus the amount of value added to the total actual  
1 19 value by the revaluation of existing properties in 1979 as  
1 20 equalized by the director of revenue pursuant to section  
1 21 441.49. For valuations established as of January 1, 1979,  
1 22 property valued by the department of revenue pursuant to  
1 23 chapters 428, 433, 437, and 438 shall be considered as one  
1 24 class of property and shall be assessed as a percentage of its  
1 25 actual value. The percentage shall be determined by the  
1 26 director of revenue in accordance with the provisions of this  
1 27 section. For valuations established as of January 1, 1979,  
1 28 the percentage shall be the quotient of the dividend and  
1 29 divisor as defined in this section. The dividend shall be the  
1 30 total actual valuation established for 1978 by the department  
1 31 of revenue, plus ten percent of the amount so determined. The  
1 32 divisor for property valued by the department of revenue  
1 33 pursuant to chapters 428, 433, 437, and 438 shall be the  
1 34 valuation established for 1978, plus the amount of value added  
1 35 to the total actual value by the revaluation of the property  
2 1 by the department of revenue as of January 1, 1979. For  
2 2 valuations established as of January 1, 1980, commercial  
2 3 property and industrial property, excluding properties  
2 4 referred to in section 427A.1, subsection 8, shall be assessed  
2 5 at a percentage of the actual value of each class of property.  
2 6 The percentage shall be determined for each class of property  
2 7 by the director of revenue for the state in accordance with  
2 8 the provisions of this section. For valuations established as  
2 9 of January 1, 1980, the percentage shall be the quotient of  
2 10 the dividend and divisor as defined in this section. The  
2 11 dividend for each class of property shall be the dividend as  
2 12 determined for each class of property for valuations  
2 13 established as of January 1, 1979, adjusted by the product  
2 14 obtained by multiplying the percentage determined for that  
2 15 year by the amount of any additions or deletions to actual  
2 16 value, excluding those resulting from the revaluation of  
2 17 existing properties, as reported by the assessors on the  
2 18 abstracts of assessment for 1979, plus four percent of the  
2 19 amount so determined. The divisor for each class of property  
2 20 shall be the total actual value of all such property in 1979,

2 21 as equalized by the director of revenue pursuant to section  
2 22 441.49, plus the amount of value added to the total actual  
2 23 value by the revaluation of existing properties in 1980. The  
2 24 director shall utilize information reported on the abstracts  
2 25 of assessment submitted pursuant to section 441.45 in  
2 26 determining such percentage. For valuations established as of  
2 27 January 1, 1980, property valued by the department of revenue  
2 28 pursuant to chapters 428, 433, 437, and 438 shall be assessed  
2 29 at a percentage of its actual value. The percentage shall be  
2 30 determined by the director of revenue in accordance with the  
2 31 provisions of this section. For valuations established as of  
2 32 January 1, 1980, the percentage shall be the quotient of the  
2 33 dividend and divisor as defined in this section. The dividend  
2 34 shall be the total actual valuation established for 1979 by  
2 35 the department of revenue, plus eight percent of the amount so  
3 1 determined. The divisor for property valued by the department  
3 2 of revenue pursuant to chapters 428, 433, 437, and 438 shall  
3 3 be the valuation established for 1979, plus the amount of  
3 4 value added to the total actual value by the revaluation of  
3 5 the property by the department of revenue as of January 1,  
3 6 1980. For valuations established as of January 1, 1981, and  
3 7 each year thereafter, the percentage of actual value as  
3 8 equalized by the director of revenue as provided in section  
3 9 441.49 at which commercial property and industrial property,  
3 10 excluding properties referred to in section 427A.1, subsection  
3 11 8, shall be assessed shall be calculated in accordance with  
3 12 the methods provided herein, except that any references to six  
3 13 percent in this subsection shall be four percent.

3 14 For valuations established as of January 1, 1981, and each  
3 15 year thereafter, the percentage of actual value at which  
3 16 property valued by the department of revenue pursuant to  
3 17 chapters 428, 433, 437, and 438 shall be assessed shall be  
3 18 calculated in accordance with the methods provided herein,  
3 19 except that any references to ten percent in this subsection  
3 20 shall be eight percent. Beginning with valuations established  
3 21 as of January 1, 1979, and each year thereafter, property  
3 22 valued by the department of revenue pursuant to chapter 434  
3 23 shall also be assessed at a percentage of its actual value  
3 24 which percentage shall be equal to the percentage determined  
3 25 by the director of revenue for commercial property, industrial  
3 26 property, or property valued by the department of revenue  
3 27 pursuant to chapters 428, 433, 437, and 438, whichever is  
3 28 lowest.

3 29 b. Notwithstanding paragraph "a", for valuations  
3 30 established for the assessment year beginning January 1, 2010,  
3 31 through valuations established for the assessment year  
3 32 beginning January 1, 2019, the percentage of actual value, as  
3 33 equalized by the director of revenue as provided in section  
3 34 441.49, at which commercial property, excluding properties  
3 35 referred to in section 427A.1, subsection 8, shall be assessed  
4 1 shall be the percentage of actual value that commercial  
4 2 property was assessed in the previous assessment year minus  
4 3 one percentage point. For valuations established as of  
4 4 January 1, 2020, and each year thereafter, the percentage of  
4 5 actual value, as equalized by the director of revenue as  
4 6 provided in section 441.49, at which commercial property,  
4 7 excluding properties referred to in section 427A.1, subsection  
4 8 8, shall be assessed shall be the percentage of actual value  
4 9 that commercial property was assessed in the assessment year  
4 10 beginning January 1, 2019.

4 11 Sec. 2. APPLICABILITY. This Act applies to assessment  
4 12 years beginning on or after January 1, 2010.

4 13 EXPLANATION

4 14 This bill provides that the percentage of actual value at  
4 15 which commercial property is assessed for the assessment years  
4 16 beginning January 1, 2010, through January 1, 2019, is reduced  
4 17 by 1 percentage point each year from the percentage in the  
4 18 previous assessment year. The bill provides that for the  
4 19 assessment year beginning January 1, 2020, and each subsequent  
4 20 assessment year, the percentage of actual value at which  
4 21 commercial property is assessed shall be the percentage of  
4 22 actual value that commercial property was assessed in the  
4 23 assessment year beginning January 1, 2019.

4 24 The bill applies to assessment years beginning on or after  
4 25 January 1, 2010.

4 26 LSB 2286YH 83  
4 27 md/mg:sc/24.1